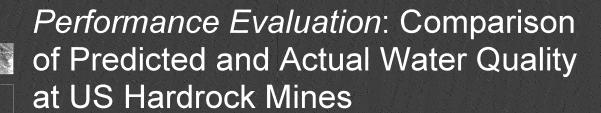
Water Quality and Hydrologic Issues Related to the Pebble Project, Alaska

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Overview Environmental record at large hardrock mines Overview of hydrology and geochemistry at Pebble Project - Purpose: evaluate site-specific vulnerabilities of migratory and resident fish to mining impacts STRATUS CONSULTING EPA-7609-0007122 00002

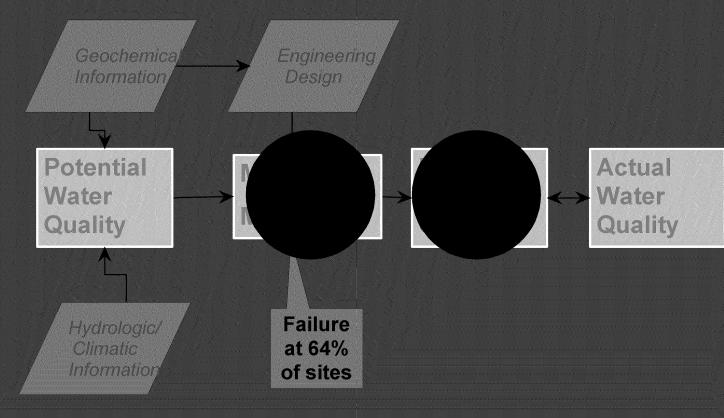


- Examined performance at large hardrock mines in the U.S.
 - 183 major mines, 137 NEPA mines
 - 71 NEPA mines reviewed
- 104 EISs reviewed for 71 mines
- Compared EIS predictions to actual water quality for 25 case study mines

Source: Kuipers and Maest, 2006

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Predicted vs. Actual Water Quality



Performance Evaluation: Post-Mining Surface Water Quality

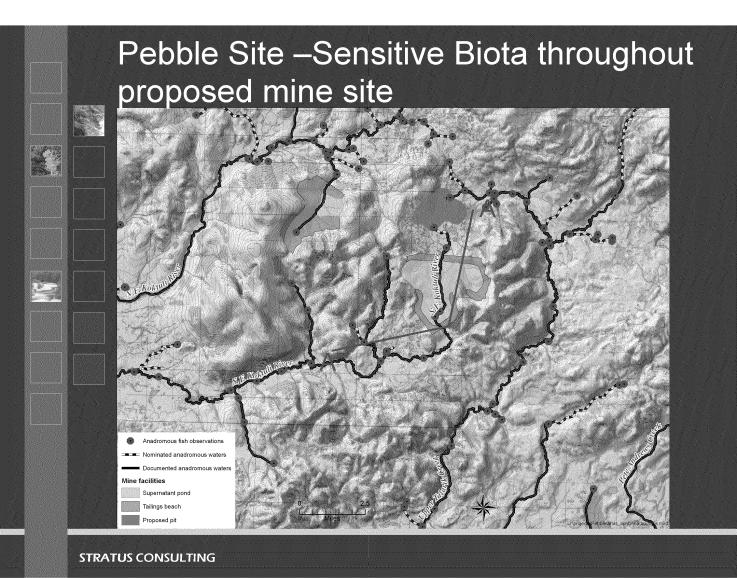
	# Mines	Percent (%) with Impact to Surface Water	Percent (%) with Exceedences of Standards in Surface Water	Percent (%) with Exceedences that Predicted no Exceedences
Mines close to surface water with mod/high ADP or CLP	13	92 (12/13)	85 (11/13)	91 (10/11)
All case study mines	25	64 (16/25)	60 (15/25)	73 (11/15)

Performance failures at virtually all case study mines in proximity to surface water. Primary causes of failure: inadequate mitigation measures and geochemical characterization.



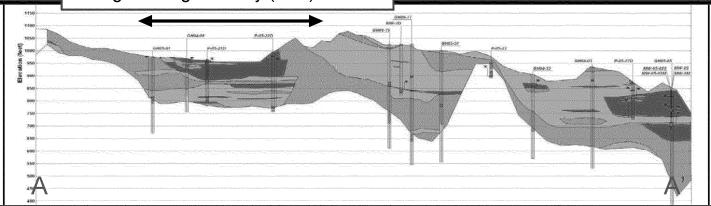
- Proximity to sensitive environmental biota and water resources
- High degree of hydrologic connection
 - Increases transport of heavy metals low ability to control wastes
 - Watershed coverage (with wastes) changes hydrograph and upwelling areas
- High potential to leach contaminants
 - Ore and wastes will generate acid and leach heavy metals
- Low buffering in streams
 - Low hardness, alkalinity, DOM in streams

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Site Hydrogeology





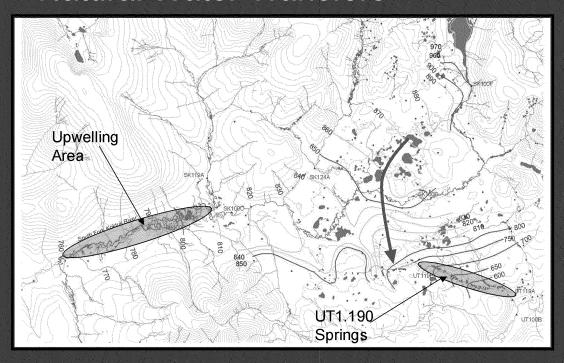
- 200+ ft of highly permeable sand and gravel
 - Easy movement of contaminants
- Unlined tailings storage plans rely on low K materials
 - Not present beneath all tailings areas
- Resource estimates have grown since 2006 water rights application (only for Pebble West!)
 - Mine facility footprints will be larger

Legend

Sand, silty sand
Clay, silty clay
Gravel, gravelly sand
No recovery
Bedrock
Borehole screen
Water level elevation
(data from August 14-16, 2006)

Sources: WMC, 2008; NDM, 2006 SFK water rights application

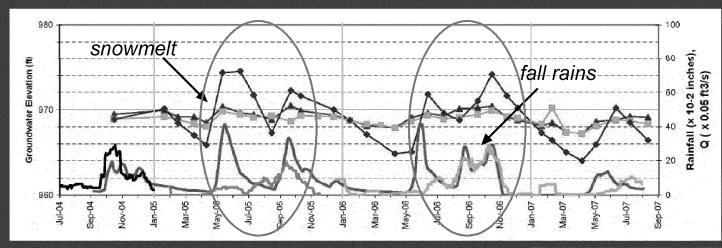
Natural Water Transfers



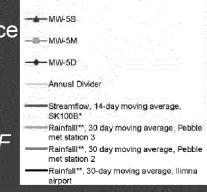
- ~25 cfs of surface water moves from SF Koktuli to
 Upper Talarik basin –contaminants will cross basins
- Groundwater upwelling salmon spawning reduced if upwelling reduced

Source: WMC, 2008

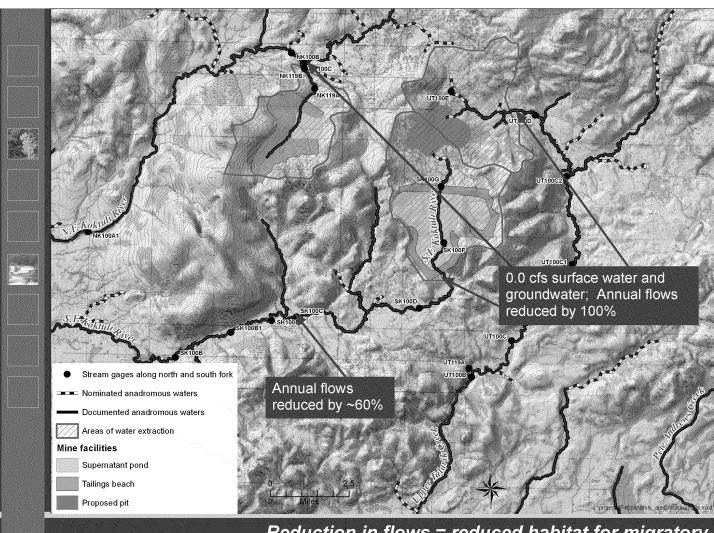
Surface Water and Groundwater Connections (just upstream from proposed TSF)



- Deep groundwater responds to changes in surface water flow and precipitation
 - Conduits for flow between surface water and groundwater
 - Contaminant migration pathways beneath TSF



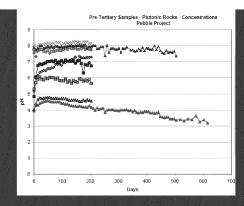
Source: WMC, 2008



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Reduction in flows = reduced habitat for migratory and resident fish EPA-7609-0007122_00011

Site Geochemistry

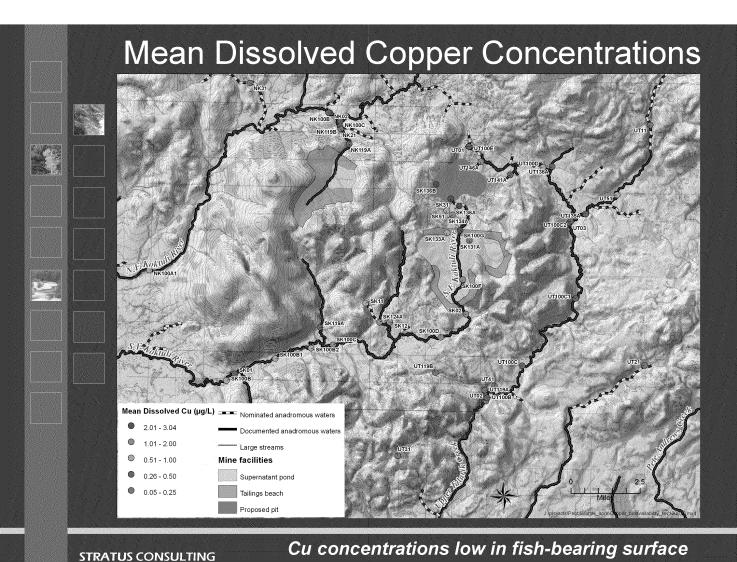


Water Quality Baseline

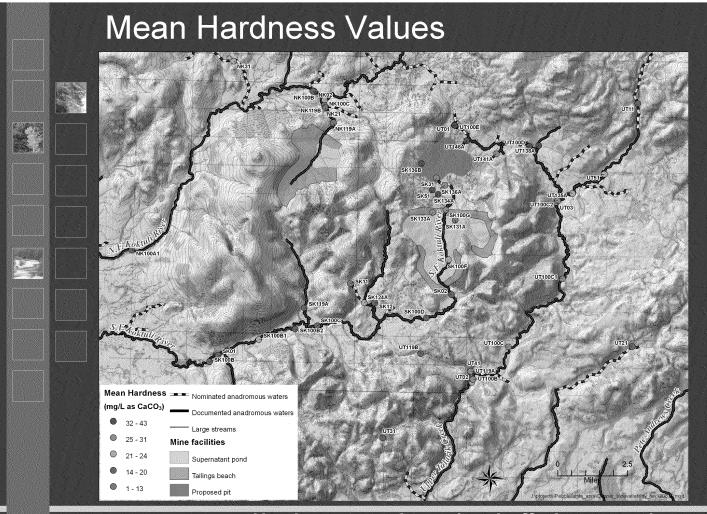
- Deposit is an acid-producer
 - "...it would take about 40 years for nearly all pre-Tertiary rock to become acidic under site conditions." (NDM, 2005)
- Low alkalinity (~10-30 mg/L as CaCO₃),
 hardness and DOM
- Higher susceptibility to stream acidification and metal toxicity to fish

Figure Source: SRK Consulting, 2006

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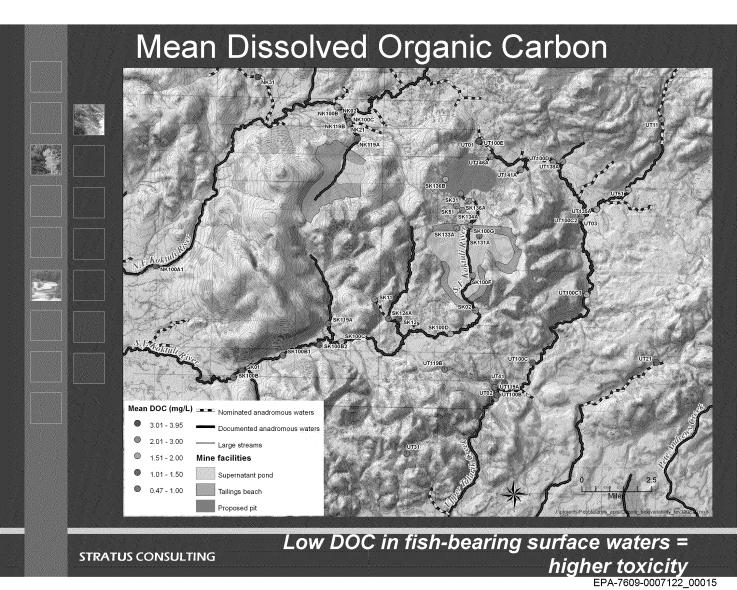


waters EPA-7609-0007122_00013

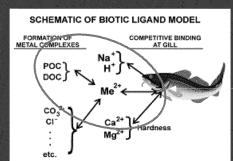


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Hardness very low = low buffering capacity and increased Cu toxicity
EPA-7609-0007122_00014



Site-specific Cu Binding Studies

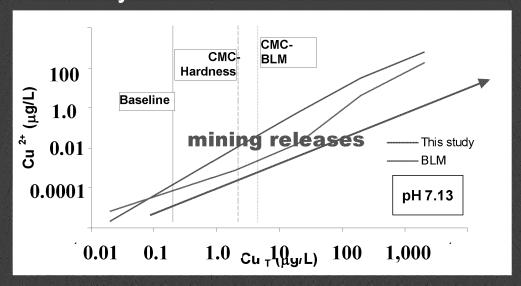


 $L_{\scriptscriptstyle BL}$

- Purpose: Evaluate binding properties of ambient DOM
 - Natural organic matter can bind copper and decrease toxicity to aquatic biota
- EPA has approved use of BLM for Cu acute WQC
 - "Canned" input values for DOM; if site-specific binding varies from assumptions, different toxicity
- TNC laboratory studies of site-specific copper binding in NFK, SFK, UT
 - Pebble Project DOM has less ability to complex Cu than assumed in BLM

BLM Comparison – North Fork Koktuli Site

2-10 times more free Cu with ambient
 DOM than predicted by BLM = increased
 Cu toxicity



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Conclusions

- Failure rates at large mines are high mitigation and prediction failures
- Pebble Project area extremely susceptible to adverse effects
 - High acid-generation and contaminant leaching potential, close proximity to water resources and sensitive biota
 - High hydraulic connectivity extensive contaminant transport, reduced ability to control wastes
 - Streams naturally low in components that ameliorate copper toxicity and buffer pH
 - Ambient DOM has less ability to complex Cu than BLM predicts – EPA model will underpredict toxicity to salmonids at this site

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Conclusions (cont.)

- Mine plan guarantees irreversible adverse effects
 - Little to no experience with successfully controlling releases from mines of this size
 - Mine facilities will reduce flows, eliminate important salmon habitat, and adversely affect spawning and migration
- Hydrogeologic, geochemical, and ecological attributes of project area indicate that the site has a high degree of vulnerability with virtually no margin for error = high risk to vitally important fisheries

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EPA-7609-0007122_00020

Additional work to support 404(c) ruling

- Integration and interpretation of all TNC data
- Biodiversity studies in areas of natural acid drainage
- Streamside copper toxicity study
 - Direct measurement of effects of increasing copper on resident salmonids
- Tailings seepage containment
 - Use recently-obtained bore hole logs to evaluate nature of geologic material and extent of low permeability layer beneath unlined TSF

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